

ORIGINAL



0000137992

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

2012 JUL 13 P 3:48

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER – PALO VERDE UTILITIES
COMPANY FOR THE ESTABLISHMENT OF
JUST AND REASONABLE RATES AND
CHARGES FOR UTILITY SERVICE DESIGNED
TO REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF
ARIZONA

DOCKET NO. SW-20445A-12-0310

NOTICE OF ERRATA

On July 9, 2012, Global Water – Palo Verde Utilities Company (“Palo Verde or Applicant”) filed a rate application. Applicant noticed an error impacting schedules A-1, H-1 and H-2. Accordingly revised schedules A-1, H-1 and H-2 are attached.

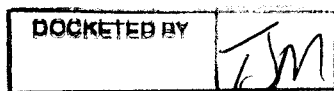
RESPECTFULLY SUBMITTED this 13th day of July 2012.

ROSHKA DEWULF & PATTEN, PLC

Arizona Corporation Commission

DOCKETED

JUL 13 2012



By

Michael W. Patten
Timothy J. Sabo
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

1 Original + 13 copies of the foregoing
2 filed this 13th day of July 2012, with:

3 Docket Control
4 ARIZONA CORPORATION COMMISSION
5 1200 West Washington
6 Phoenix, AZ 85007

7 Copies of the foregoing hand-delivered
8 this 13th day of July 2012, to:

9 Lyn Farmer, Esq.
10 Chief Administrative Law Judge
11 ARIZONA CORPORATION COMMISSION
12 1200 West Washington
13 Phoenix, AZ 85007

14 Janice Alward, Esq.
15 Chief Counsel, Legal Division
16 ARIZONA CORPORATION COMMISSION
17 1200 West Washington
18 Phoenix, AZ 85007

19 Steven M. Olea
20 Director, Utilities Division
21 ARIZONA CORPORATION COMMISSION
22 1200 West Washington
23 Phoenix, AZ 85007

24 By 
25
26
27

Global Water - Palo Verde Utilities Company - Schedules
Test Year Ended December 31, 2011
Computation of Increase in Gross Revenue Requirement

Schedule A-1

Line No.	DESCRIPTION	[A]	[B]	[C] ORIGINAL COST	[D] FAIR VALUE
1	Adjusted Rate Base			\$ 60,166,756	\$ 60,166,756
2					
3	Adjusted Operating Income (Loss)			\$ 3,130,035	\$ 3,130,035
4					
5	Current Rate of Return (C3 / C1)			5.20%	5.20%
6					
7	Required Operating Income (C9 * C1)			\$ 5,300,691	\$ 5,300,691
8					
9	Required Rate of Return			8.81%	8.81%
10					
11	Operating Income Deficiency (C7 - C3)			\$ 2,170,656	\$ 2,170,656
12					
13	Gross Revenue Conversion Factor			1.639005	1.639005
14					
15	Increase in Gross Revenue Requirements			\$ 3,557,717	\$ 3,557,717
16					
17					
18	Customer	Present	Proposed	Dollar	Percent
19	Classification	Rates	Rates	Increase	Increase
20					
21	Residential	\$ 11,893,610	\$ 14,700,048	\$ 2,806,439	23.6%
22	Commercial	553,075	615,860	62,785	11.4%
23	Non-Potable	380,566	1,101,369	720,803	189.4%
24					
25	Total of Water Revenues	\$ 12,827,251	\$ 16,417,278	\$ 3,590,027	28.0%
26					
27	Miscellaneous Revenues	303,836	303,836	-	0.0%
28					
29	Total Operating Revenues	\$ 13,131,087	\$ 16,721,114	\$ 3,590,027	27.3%
30					
31					
32					
33	<u>Supporting Schedules:</u>				
34	B-1				
35	C-1				
36	C-3				
37	H-1				
38					
39					
40					

Global Water - Palo Verde Utilities Company
Test Year Ended December 31, 2011
Classification - Present and Proposed Rates

Schedule H-1

Line No.	Customer Classification	[A] Present Rates Adjusted Sch. H-2 Col. E	[B] Proposed Rates Sch. H-2 Col. F	[C] Proposed Increase Amount	[D] %
1					
2	Residential	\$ 11,893,610	\$ 14,700,048	\$ 2,806,439	23.6%
3	Commercial	553,075	615,860	62,785	11.4%
4	Recycled	380,566	1,101,369	720,803	189.4%
5					
6	Total Waste Water Revenues	<u>\$ 12,827,251</u>	<u>\$ 16,417,278</u>	<u>\$ 3,590,027</u>	28.0%
7					
8	Miscellaneous Revenues (Sch. C-1, L3)	<u>303,836</u>	<u>303,836</u>		
9					
10	Total Operating Revenues	<u>\$ 13,131,087</u>	<u>\$ 16,721,114</u>		
11					
12					
13	Pro Forma Adjustments (Sch. C-1)				
14	Subtotal (L10 + L14)	<u>\$ 13,131,087</u>			
15					
16	Total Gen. Ledger Operating Revenues				
17	Test Year Ended 12/31/2011 (Sch. C-1, D5)	<u>11,411,932</u>			
18	Unreconciled Difference (L14 - L17)	1,719,155			
19	%	13.09%			
20					
21	Target Revenue Requirement (Sch. C-1, Ln. 5)		<u>16,787,180</u>		
22	Difference (L10 - L21)		(66,066)		
23	%		-0.39%		
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Line No.	Class of Service	Average Number of Customers	Average Consumption	Bill Count Water Revenues				Proposed	
				Present Rates	Adjusted Present Rates (C + D)	Proposed Rates	Increase (F - E)		%
1	5/8" Residential	1,084	N/A	\$ 818,648	\$ 21,893	\$ 840,541	\$ 1,025,685	\$ 185,144	22.03%
2	3/4" Residential	14,355	N/A	10,836,625	150,229	10,986,854	13,577,218	2,590,364	23.58%
3	1" Residential	41	N/A	77,539	(11,324)	66,215	97,146	30,931	46.71%
4	1.5" Residential	-	N/A	-	-	-	-	-	N/A
5	2" Residential	-	N/A	-	-	-	-	-	N/A
6	3/4" Commercial	5	N/A	3,838	(755)	3,083	4,808	1,725	55.95%
7	1" Commercial	4	N/A	3,020	-	3,020	3,783	763	25.28%
8	1.5" Commercial	17	N/A	31,613	1,887	33,500	39,607	6,107	18.23%
9	2" Commercial	29	N/A	110,093	-	110,093	137,935	27,842	25.29%
10	3" Commercial	48	N/A	287,876	60,394	348,270	390,880	42,610	12.41%
11	4" Commercial	3	N/A	36,236	-	36,236	45,400	8,164	22.52%
12	Non-Potable	10	4,873,316	313,899	66,667	380,566	1,101,369	720,803	189.40%
13	Total Residential	15,480	N/A	\$ 11,732,812	\$ 160,798	\$ 11,893,610	\$ 14,700,048	\$ 2,806,439	23.60%
14	Total Commercial	107	N/A	491,549	61,526	553,075	615,880	62,785	11.35%
15	Recycled	10	4,873,316	313,899	66,667	380,566	1,101,369	720,803	189.40%
16	Totals	15,597	-	12,538,260	288,991	12,827,251	16,417,278	3,590,027	27.99%

Global Water - Palo Verde Utilities Company
Test Year Ended December 31, 2011
Classification - Present and Proposed Rates

Schedule H-2
Page 2 of 2

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 35.00	\$ 35.00	\$ -	6,604	\$ -
3	Establishment After Hours	50.00	50.00	-	6	-
4	Reconnect	35.00	35.00	-	1,963	-
5	Reconnect After Hours	50.00	50.00	-	9	-
6	NSF Fees	30.00	30.00	-	-	-
7						
8	Proposed Misc. Service Charge Increase					<u>\$ -</u>
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						